

Colonial First State

# Private Capital Limited

Prospectus

**2-for-5 Renounceable Rights Issue**

Two for five renounceable rights issue of 43,133,272 fully paid ordinary shares at an issue price of \$0.60 per share

**Dated 20 March 2006**

Issued by: Colonial First State Private Capital Limited  
ABN 76 002 785 739

Lead Manager

**CommSec** 

## Important Information

1. This Prospectus is dated 20 March 2006 and was lodged with ASIC on that date.
2. Neither ASIC nor ASX take responsibility for the contents of this Prospectus or the merits of the investment to which it relates.
3. No securities will be issued on the basis of this Prospectus after 20 April 2007, being the date 13 months after the date of this Prospectus.
4. CFI will, within seven days after the date of this Prospectus, apply for the New Shares offered pursuant to this Prospectus to be admitted to quotation on ASX.
5. This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. No action has been taken to register or qualify the Rights Issue under this Prospectus, or to otherwise permit a public offering of Shares, in any jurisdiction outside of Australia and New Zealand. In particular the Rights Issue does not, and will not, constitute an offer of securities within the United States of America. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The return of an Entitlement and Acceptance Form will be taken by CFI to constitute a representation and warranty made by the Shareholder to CFI that there has been no breach of such laws and that all necessary approvals and consents have been obtained.
6. The information contained in this Prospectus is important and Shareholders receiving the offer under this Prospectus should read it in full. You may wish to consult your sharebroker, solicitor, accountant or other professional adviser about its contents.
7. No person is authorised to give any information or to make any representation in connection with the Rights Issue that is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus (or disclosed by CFI pursuant to its continuous disclosure obligations) may not be relied on as having been authorised by CFI in connection with the Rights Issue.
8. Applications for Shares under the Rights Issue can only be made on the Entitlement and Acceptance Form that is attached to or accompanies the Prospectus sent to Shareholders. Entitlement and Acceptance Forms will not be made available electronically.
9. The Corporations Act prohibits any person from passing the Entitlement and Acceptance Form on to another person unless it is accompanied by, or included in, a paper copy of this Prospectus.
10. This Prospectus may be viewed online at [www.cfspe.com.au](http://www.cfspe.com.au). The Rights Issue constituted by this Prospectus in electronic form is only available to persons receiving the electronic version of the Prospectus in Australia or New Zealand. No Entitlement and Acceptance Form will be accepted if sent in electronic form. Persons who access the electronic version of this Prospectus should ensure they download and read the entire Prospectus. A paper copy of this Prospectus will be provided free of charge to any person located in Australia who requests a copy by contacting Link Market Services on (02) 8280 7111 up to the Closing Date. The information on [www.cfspe.com.au](http://www.cfspe.com.au) is not part of this Prospectus.
11. In preparing this Prospectus regard has been had to the fact that CFI is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult.
12. The Manager is offering to arrange for the issue of New Shares on behalf of CFI under an Intermediary Authorisation Agreement (a summary of which is set out in section 4.7) in accordance with section 911A(2)(b) of the Corporations Act. The Manager holds an Australian financial services licence (numbered 232468) and an FSG accompanies this Prospectus as required. By applying for New Shares, applicants accept the offer by the Manager to arrange for the issue of New Shares (noting that whether New Shares are issued to an applicant is subject to the terms of the Rights Issue, including acceptance of an applicant's application). The Manager is responsible for arranging the distribution of this Prospectus and Entitlement and Acceptance Forms.
13. An investment in CFI is neither a deposit nor a liability of CFI, the Manager, or any other company in the Colonial Group.
14. This Prospectus should not be used as a substitute for financial advice and you should speak to a licensed financial adviser before investing in CFI. This Prospectus will assist you in determining whether investment in New Shares is suitable to your needs. Neither CFI nor any company in the Colonial Group guarantees investment performance or earnings or return of capital invested in CFI.
15. Defined terms and abbreviations used in this Prospectus are explained in section 5 at the end of this document.
16. The financial amounts in this Prospectus are expressed in Australian dollars unless otherwise stated.

# Message from the Chairman

20 March 2006

Dear Shareholder,

I have great pleasure in presenting this Prospectus, which offers Eligible Shareholders the opportunity to participate in a renounceable Rights Issue to subscribe for 2 New Shares for every 5 Shares held in Colonial First State Private Capital Limited (**CFI**).

The New Shares to be issued under the Rights Issue will be issued at a price of \$0.60 to raise up to approximately \$25,879,963. This represents a discount of 9% to the closing price of CFI shares on 15 March 2006, the last full trading day prior to the announcement of the Rights Issue, and a 24% discount to the NTA per share as at 31 December 2005.

The proceeds of the Rights Issue will be used to retire CFI's existing debt and to raise additional capital to allow CFI to take advantage of future investment opportunities as they arise. As announced on 16 March 2006, CFI has recently conducted a strategic review, the outcome of which is a redefined investment strategy focused on investment in infrastructure and alternative asset classes, being those that offer infrastructure like returns and risks.

Companies associated with Commonwealth Bank, which currently hold 16.4% of the issued shares of CFI between them, have agreed to take up their full entitlements under the Rights Issue. The Directors who are Shareholders also intend to take up their full entitlements under the Rights Issue.

In pursuing its investment strategy, CFI will continue to be managed through the experience and expertise of Colonial First State Investments Limited, which will provide CFI with access to experienced and successful infrastructure, private equity and alternative investment managers.

I encourage you to read this Prospectus carefully as it contains detailed information on the Rights Issue and the risks associated with an investment in CFI.

The Board commends the Rights Issue to Shareholders and looks forward to Shareholders' continuing support of CFI.

Yours faithfully,



**Graham Kelly**  
Chairman